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1 DAVID E. KENDALL (*pro hac vice*)  
2 WILLIAMS & CONNOLLY LLP  
3 725 Twelfth Street, N.W.  
4 Washington, D.C. 20005  
5 Telephone: (202) 434-5000  
6 Telecopy: (202) 434-5029

Attorneys for Motion Picture Studio Plaintiffs  
(Other than Time Warner Motion Picture Plaintiffs)

7 ROBERT M. SCHWARTZ (Bar No. 117166)  
8 O'MELVENY & MYERS LLP  
9 1999 Avenue of the Stars, Seventh Floor  
10 Los Angeles, California 90067-6035  
11 Telephone: (310) 553-6700  
12 Telecopy: (310) 246-6779

Attorneys for Time Warner Motion Picture Plaintiffs

13 STEVEN B. FABRIZIO (*pro hac vice*)  
14 JENNER & BLOCK LLP  
15 601 Thirteenth Street, N.W.  
16 Suite 1200 South  
17 Washington, D.C. 20005-3823  
18 Telephone: (202) 639-6000  
19 Telecopy: (202) 639-6066

Attorneys for Record Company Plaintiffs

GEORGE M. BORKOWSKI (Bar No. 133416)  
MITCHELL SILBERBERG & KNUPP  
11377 West Olympic Boulevard  
Los Angeles, California 90064  
Telephone: (310) 312-2000  
Telecopy: (310) 312-3100

Attorneys for Record Company Plaintiffs

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

METRO-GOLDWYN-MAYER  
STUDIOS INC., *et al.*,

Plaintiffs,

v.

GROKSTER, LTD., *et al.*,

Defendants.

Case No.: CV 01-08541 SVW (FMOx)

**[PROPOSED] ORDER  
ENTERING CONSENT  
JUDGMENT AND PERMANENT  
INJUNCTION AGAINST  
GROKSTER, LTD., SWAPTOR,  
LTD., DANIEL B. RUNG,  
MATTHEW A. RUNG, AND  
MICHAEL RUNG**

AND RELATED COUNTERCLAIMS.

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CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.

1           This matter came before the Court on the Stipulation of Swaptor, Ltd., Daniel  
2 B. Rung, Matthew A. Rung, Michael Rung, Defendant Grokster, Ltd., (collectively,  
3 "the Grokster Parties") and Plaintiffs to the entry of Judgment. For purposes of this  
4 Judgment and Permanent Injunction, the term "Grokster System and Software"  
5 means the software the Grokster Parties distributed under the names "Grokster" and  
6 "Swaptor" (the "Grokster Software"), and the computer servers the Grokster Parties  
7 operated, and other activities in which the Grokster Parties engaged, including  
8 operating the "Grokster.com" and the "Swaptor.com" websites, to allow users of  
9 the software to connect to and use computer networks to reproduce and distribute  
10 digital files utilizing technology known as "FastTrack" and/or technology known as  
11 "openNap."

12  
13           Pursuant to the Plaintiffs' and the Grokster Parties' Stipulation, IT IS  
14 HEREBY ORDERED AND ADJUDGED as follows:

- 15           1.     The Amended Complaint in Case No. CV 01-08541 SVW  
16 (FMOx) hereby is amended to add Swaptor, Ltd., Daniel B. Rung, Matthew A.  
17 Rung, and Michael Rung as Defendants.  
18
- 19           2.     Judgment shall be entered against the Grokster Parties and in  
20 favor of Plaintiffs in Case No. CV 01-08541 SVW (FMOx).  
21
- 22           3.     The Grokster Parties, and each of them jointly and severally, are  
23 ordered to pay fifty million dollars (\$50,000,000) in damages to Plaintiffs. This  
24 fifty-million dollar judgment shall be reduced by the amount of the monetary  
25 judgment, if any, against the Grokster Parties in *Jerry Leiber, et al. v. Consumer*  
26 *Empowerment BV a/k/a FastTrack, et al.*, Case No. CV 01-09923 SVW (FMOx).  
27
- 28           4.     The Grokster Parties, their respective agents, servants,  
employees, representatives, parents, subsidiaries, affiliates, shareholders, officers,

1 principals, successors, assigns, licensees, transferees (including but not limited to  
2 any purchasers, assigns, licensees, or transferees of any software or file-trading  
3 technology owned or controlled by the Grokster Parties), and all those acting in  
4 concert with them, at their direction or within their control:

5  
6 a. are permanently enjoined and restrained from directly, indirectly,  
7 contributorily, or vicariously infringing in any manner any  
8 copyright in any and all musical works, sound recordings, motion  
9 pictures, television programs and other copyrighted works (or  
10 portions thereof), whether now in existence or later created, in  
11 which any Plaintiff (including its parents, subsidiaries or affiliates)  
12 owns or controls an exclusive right under Section 106 of the United  
13 States Copyright Act (17 U.S.C. § 106), protected by state or  
14 common law, or pursuant to copyright laws of other countries or  
15 territories (the "Copyrighted Works"), including but not limited to  
16 by engaging in any of the following without appropriate written  
17 authority or license from the appropriate Plaintiff:

18 1) directly or indirectly copying, reproducing, downloading,  
19 distributing (which hereinafter shall include, without  
20 limitation, making a work available for distribution by  
21 placing the work in a computer file or folder that is  
22 accessible by others for downloading), uploading, linking to,  
23 transmitting, publicly performing, or otherwise exploiting  
24 any of the Copyrighted Works; and

25  
26 2) directly or indirectly enabling, facilitating, permitting,  
27 assisting, soliciting, encouraging, or inducing any person or  
28 entity ("User"), via the Grokster System and Software or any

1 other peer-to-peer or file-trading network, or other network,  
2 service, or medium, including but not limited to the Gnutella  
3 Network, (A) to copy, reproduce, download, distribute,  
4 upload, link to, transmit, or publicly perform any of the  
5 Copyrighted Works, or (B) to make any of the Copyrighted  
6 Works available for copying, reproduction, downloading,  
7 distributing, uploading, linking to, transmitting, or public  
8 performance;

9  
10 b. are permanently enjoined and restrained from directly or indirectly  
11 operating or assisting in or supporting the operation of any  
12 computer server or website or distributing any software in any way  
13 related to the Grokster System and Software, or any other peer-to-  
14 peer or file-trading network, or other network, service, or medium,  
15 including but not limited to the Gnutella Network, that enables,  
16 facilitates, permits, assists, solicits, encourages, or induces the  
17 copying, reproduction, downloading, distributing, uploading,  
18 linking to, transmitting, public performance, or other exploitation of  
19 any of the Copyrighted Works, unless and until the Grokster Parties  
20 have obtained all necessary written authority or license for such  
21 Copyrighted Works from each Plaintiff that owns any such  
22 Copyrighted Works;

23 c. are ordered to immediately (i) cease, directly or indirectly, to  
24 operate, facilitate or assist in or support the operation of  
25 Grokster.com, Swaptor.com, or any computer server (including but  
26 not limited to any nodes or supernodes), website or software in any  
27 way related to the Grokster System and Software or any other peer-  
28

1 to-peer or file-trading network, or other network, service, or  
2 medium, including but not limited to the Gnutella Network, (ii)  
3 cease, directly or indirectly, to distribute or assist in the distribution  
4 of, including but not limited to by shutting down any distribution  
5 servers, any software enabling users to connect to the Grokster  
6 System and Software or any other peer-to-peer or file-trading  
7 network, or other network, service, or medium, including but not  
8 limited to the Gnutella Network, (iii) revoke the license or authority  
9 of any third party authorized to distribute the Grokster Software,  
10 send cease-and-desist notices to any known unauthorized third  
11 party distributors, and assign to Plaintiffs any and all rights or  
12 claims that the Grokster Parties would have against any party that  
13 refuses to honor such revocation of authority or cease-and-desist  
14 notice; (iv) cease, directly or indirectly, to provide any user support  
15 with respect to any such software; and (v) cease any advertising on  
16 Grokster.com, or through or for the Grokster System and Software;  
17

- 18 d. are permanently enjoined and restrained from directly or indirectly  
19 releasing publicly, distributing or giving away, for consideration or  
20 otherwise, any software, source code, object code, other  
21 technology, domain names, trademarks, brands, assets or goodwill  
22 in any way related to the Grokster System and Software, including  
23 but not limited to by posting such materials on an Internet web page  
24 or by offering such materials over any peer-to-peer or file-trading  
25 network, or other network, service, or medium, except in  
26 compliance with paragraph 5 below.  
27  
28

1                   5.     If the Grokster Parties sell, lease, convey, transfer, or assign all  
2     or any significant part of the business, equity, operations, or assets of Grokster, Ltd.  
3     or the Grokster System and Software, they will require, as a condition of any such  
4     transaction, that each purchaser, lessee, or other transferee or assignee (a) submit to  
5     this Court's jurisdiction and venue, (b) agree to be bound by the terms herein, and  
6     (c) apply to the Court for an order adding them as a party to the permanent  
7     injunction entered by the Court against the Grokster Parties.  
8

9                   6.     The Grokster Parties irrevocably and fully have waived notice of  
10    entry of this Judgment and Permanent Injunction, and notice and service of the  
11    entered Judgment and Permanent Injunction. Violation of this Judgment and  
12    Permanent Injunction will expose the Grokster Parties to all penalties provided by  
13    law, including for contempt of Court.  
14

15                  7.     The Grokster Parties shall give notice of this Judgment and  
16    Permanent Injunction to each of their officers, directors, agents, servants,  
17    employees, assigns, partners, owners, alter egos, affiliates, all entities through  
18    which they conduct business, representatives, successors, licensees, and all those  
19    acting in concert or participation with each or any of them.  
20

21                  8.     The Grokster Parties irrevocably and fully have waived any and  
22    all right to appeal this Judgment and Permanent Injunction, to have it vacated or set  
23    aside, to seek or obtain a new trial thereon, or otherwise to attack in any way,  
24    directly or collaterally, its validity or enforceability.  
25

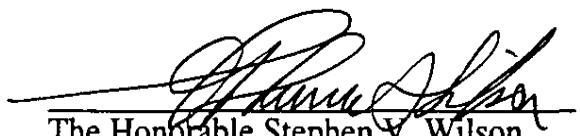
26                  9.     Nothing contained in this Judgment and Permanent Injunction  
27    limits the right of Plaintiffs to recover damages for any and all infringements by the  
28    Grokster Parties of Plaintiffs' Copyrighted Works occurring after the date the

1 Grokster Parties executed the Stipulation to this Judgment and Permanent  
2 Injunction.

3  
4 10. Plaintiffs are not required to post any bond or security, and  
5 Grokster permanently, irrevocably, and fully has waived any right to request a bond  
6 or any other security.

7  
8 11. The Court shall maintain continuing jurisdiction over this action  
9 for the purpose of enforcing this final Judgment and Permanent Injunction.

10  
11  
12 Dated: November 8, 2005

  
The Honorable Stephen V. Wilson  
United States District Court Judge